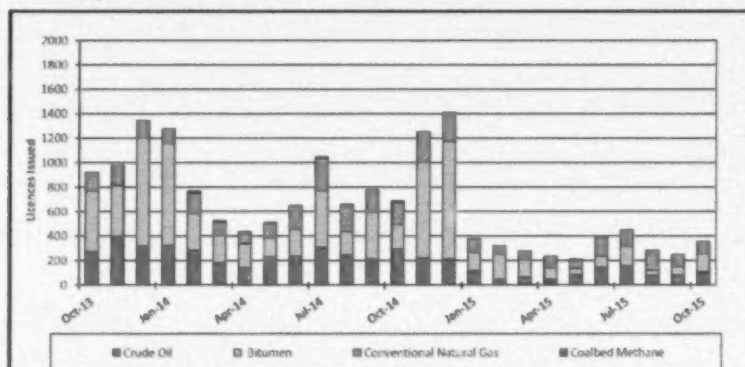


December 2015 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 357 well licences in October 2015, down 48% from the 686 well licences issued in October 2014.

There were 103 licences issued for crude oil in October 2015, down 65% from the 291 crude oil licences issued in October 2014.

87% of the crude oil licences issued in October 2015 were for horizontal wells, up 4% from this time last year.

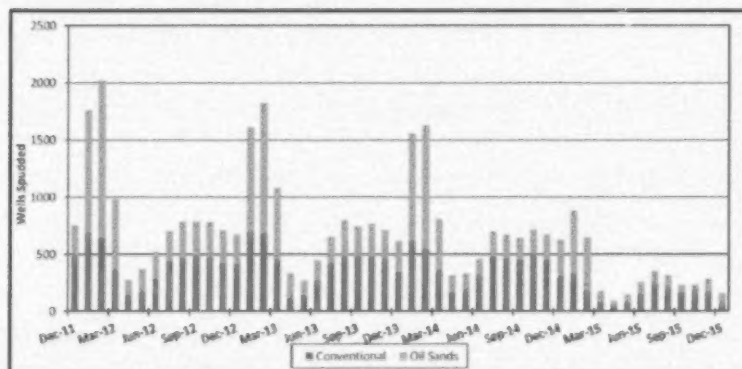
There were 101 natural gas well licenses (excluding CBM) issued in October 2015, 46% lower than the 188 licences reported in October 2014.

96% of natural gas well licenses issued in October 2015 were for horizontal wells, 17% higher compared to October 2014.

OCTOBER 2015			
Licensed Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	99	28%
	Vertical/Direct	2	
Coal Bed Methane	Horizontal	-	-
	Vertical/Direct	-	
Crude Oil	Horizontal	90	29%
	Vertical/Direct	13	
Bitumen	Horizontal	6	43%
	Vertical/Direct	12	
Evaluation		135	100%
		357	

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



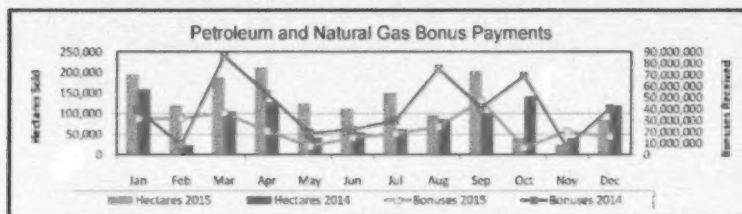
With a total of 156 spuds for the month of December 2015, activity has dropped 75% as compared to December 2014 when there were 626 spuds.

For 2015, spuds for conventional wells are down 61% while oil sands spuds are down 56% as compared to 2014.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Dec	Total
2011	Conventional	760	708	532	110	181	339	575	679	690	678	6,437
	Oil Sands	1052	1295	786	131	153	186	237	289	329	277	5,281
2012	Conventional	686	637	358	136	169	278	431	466	481	472	4,944
	Oil Sands	1079	1385	622	140	206	241	273	319	303	310	5,430
2013	Conventional	688	683	451	112	138	266	413	485	480	471	4,989
	Oil Sands	928	1143	628	227	132	186	241	316	267	294	4,884
2014	Conventional	617	551	356	164	173	317	475	463	452	491	4,817
	Oil Sands	944	1081	455	155	112	141	223	209	193	225	4,332
2015	Conventional	329	185	75	52	76	143	239	209	164	187	1,892
	Oil Sands	555	465	107	43	76	113	113	107	68	47	1,903

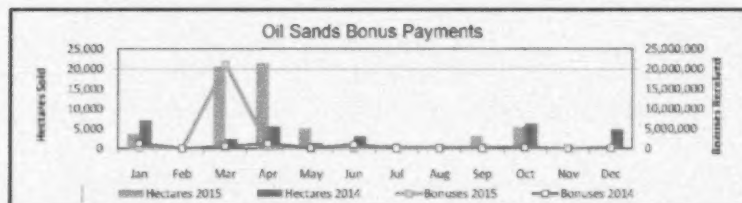
Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales



Bonuses received from the petroleum and natural gas land sales held in December 2015 totalled about \$16 million with an average price per hectare of \$186.63. Oil Sands land sales totalled about \$146 thousand with an average price per hectare of \$758.34.

Between January and December 2015, Alberta received about \$299 million on 1.62 million hectares of mineral rights sold, compared to \$494 million received on 1.1 million hectares sold in 2014. Average crown land prices have decreased from about \$453/hectare in 2014 to about \$185/hectare in 2015.

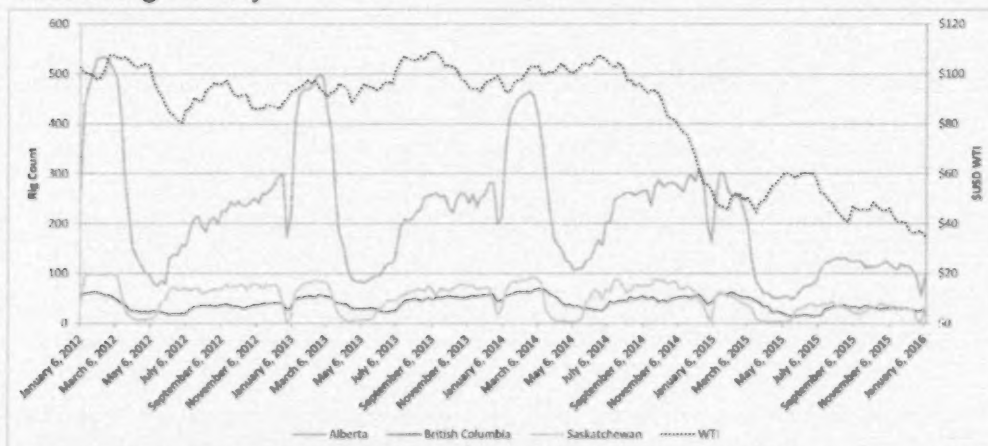


Petroleum and Natural Gas Rights	Dec-15	Dec-14	YTD 2015	YTD 2014
Bonuses	\$15,902,232.00	\$40,163,909.49	\$276,226,754.21	\$489,376,151.05
Hectares	85,208	119,478	1,554,024	1,058,478
Average Price per Hectare (Cdn\$)	\$186.63	\$336.16	\$177.75	\$462.34

Oil Sands Rights	Dec-15	Dec-14	YTD 2015	YTD 2014
Bonuses	\$145,601.00	\$157,568.00	\$22,912,974.43	\$4,663,614.30
Hectares	192	4,864	61,477	31,039
Average Price per Hectare (Cdn\$)	\$758.34	\$32.39	\$372.71	\$150.25

Source: Alberta Energy

Alberta Rig Activity



October	Drilling Jan 8, 2016	Up or Down Compared to the Previous Week	WTI (\$/bbl)
Alberta	97	39	\$ 34.65
Saskatchewan	30	32	
British Columbia	34	5	
Canada	166	83	

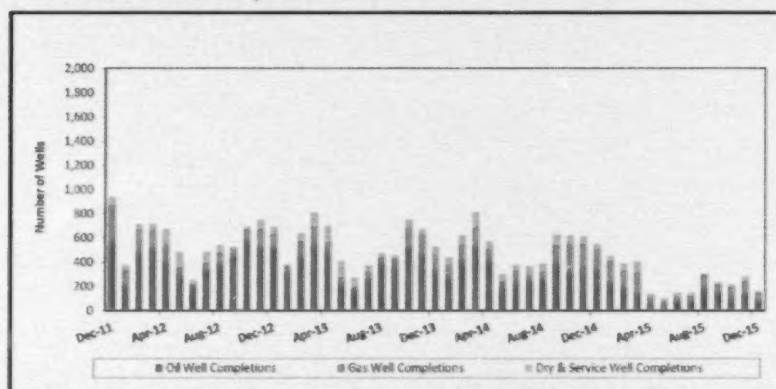
Source: Baker Hughes

Canadian rig activity was up 83 at 166 for the week of January 8, 2016 and is 200 (54.6%) lower than last year. The number of rigs drilling for oil was up 59 at 71 and is 59 (60.8%) lower than last year.

Gas directed rig count at 95 was up 24 and is 90 rigs (48.6%) lower than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 163 wells completed in December 2015, down 70% from the 551 wells completed in December 2014.

Well completions in 2015 totalled 2,991, including 1,523 oil completions (down 62% from 3,990 in the same period a year ago), and 1,053 gas completions (down 30% from 1,498 in the same period in 2014).

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Dec	Total
2011	Oil Wells	226	353	650	419	602	209	105	451	1030	626	568	5,798
	Gas Wells	145	294	974	472	196	124	43	183	356	259	299	3,588
	Dry & Service	42	127	222	112	160	100	97	94	145	19	73	1,223
2012	Oil Wells	215	489	516	405	296	205	348	380	447	588	523	4,945
	Gas Wells	131	181	146	141	62	12	46	93	65	81	110	1,210
	Dry & Service	35	48	55	126	128	37	94	63	12	23	59	760
2013	Oil Wells	313	449	544	481	230	179	263	354	357	528	333	4,534
	Gas Wells	59	124	149	91	47	14	59	46	72	153	139	1,117
	Dry & Service	9	67	119	129	66	79	51	34	29	72	58	757
2014	Oil Wells	280	427	520	418	188	240	245	257	389	314	348	3,990
	Gas Wells	105	119	166	94	54	94	52	63	154	239	161	1,498
	Dry & Service	57	80	126	62	63	45	70	69	85	65	42	826
2015	Oil Wells	239	194	147	57	34	75	80	189	154	113	89	1,523
	Gas Wells	166	134	166	52	42	45	44	108	65	75	63	1,053
	Dry & Service	46	60	94	32	25	31	21	13	15	27	11	415

Source: JUNEWarren-Nickie's Energy Group